



NCUA
National Credit Union Administration

OFFICE OF INSPECTOR
GENERAL

**AUDIT OF THE NCUA'S COMPLIANCE
UNDER THE DIGITAL ACCOUNTABILITY
AND TRANSPARENCY ACT OF 2014**

Report #OIG-21-07

November 8, 2021



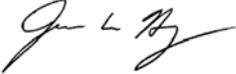


National Credit Union Administration

Office of Inspector General

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FROM: Inspector General James W. Hagen 

SUBJ: Audit of the NCUA's Compliance Under the DATA Act

DATE: November 8, 2021

The National Credit Union Administration (NCUA) Office of Inspector General conducted this audit in accordance with the Digital Accountability and Transparency Act of 2014 (DATA Act). Specifically, we conducted this audit to assess the: (1) completeness, accuracy, timeliness, and quality of the financial and award data submitted for publication on USASpending.gov; and (2) the NCUA's implementation and use of the government-wide financial data standards established by the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury).

Results of our audit determined that NCUA's submission to Treasury's DATA Act Broker was complete and submitted timely. We determined the NCUA fully implemented and used the government-wide financial data standards for spending information as defined by OMB and Treasury. We also determined the agency's internal controls operated effectively to report financial data in accordance with the DATA Act. Furthermore, we assessed the NCUA's award-level submission to determine quality data. Based on our assessment, we determined the NCUA's data quality score increased significantly due to internal control improvements. These improvements included properly mapping the data elements to their authoritative sources; ensuring alignment of System for Award Management¹ (SAM) data with information in internal management systems; and timely publishing financial assistance data in accordance with applicable DATA Act reporting schedules. As a result, NCUA's data quality score increased from "Lower" quality for the first quarter of fiscal year 2019 to "Excellent" quality for the fourth quarter of fiscal year 2020. We are making one suggestion in our report regarding the Senior Accountable Official (SAO) assurance to improve accountability over the agency's DATA Act submissions.

We appreciate the effort, assistance, and cooperation NCUA management and staff provided to us during this audit. Should you have any questions on the report, please contact me at 703-518-6351.

¹ SAM is an official website of the U.S. Government operated by the General Services Administration (GSA) where entities can register to do business with the U.S. Government, update or renew entity registration, search for entity registration and exclusion records, and more.

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EXECUTIVE SUMMARY

The National Credit Union Administration (NCUA) Office of Inspector General (OIG) conducted this audit in accordance with the Digital Accountability and Transparency Act of 2014² (DATA Act). Specifically, we conducted this audit to assess the: (1) completeness,³ accuracy,⁴ timeliness,⁵ and quality⁶ of the financial and award data submitted for publication on USASpending.gov,⁷ and (2) the NCUA's implementation and use of the government-wide financial data standards established by the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury). To accomplish our objectives, we used the *CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act*⁸ (Guide) provided by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Federal Audit Executive Council (FAEC) DATA Act Working Group.⁹ Consistent with this guidance, we reviewed regulatory criteria related to the NCUA's responsibilities to report financial and award data under the DATA Act. Additionally, we reviewed the NCUA's data quality plan; assessed internal and information system controls; reviewed and reconciled the fiscal year 2020 fourth quarter financial and award data submitted by the NCUA for publication on USASpending.gov; reviewed a statistically valid sample; assessed the completeness, accuracy, timeliness, and quality of the data sampled; and assessed the NCUA's implementation and use of the 59 data elements/standards established by OMB and Treasury.

The DATA Act requires federal agencies to disclose expenditures of appropriated funds, such as contract, loan, and grant spending information. We determined the only annual appropriation the NCUA receives from Congress is for the Community Development Revolving Loan Fund (CDRLF). The NCUA's Office of General Counsel (OGC) determined that because the NCUA's operating funds derive from assessments on its insured entities and not from appropriations, the DATA Act reporting requirements apply only to the CDRLF. In addition, the NCUA did not

² Pub. L. No. 113-101.

³ The Guide defines completeness in two ways: (1) for the agency submission, transactions and events that should have been recorded are recorded in the proper period, and (2) for each of the required data elements that should have been reported, the data element was reported in the appropriate Files A through D2.

⁴ The Guide defines accuracy of data elements as the following: amounts and other data relating to recorded transactions have been recorded in accordance with Data Act Information Model Schema (DAIMS), Reporting Submission Specification (RSS), Interface Definition Document (IDD), and the online data dictionary, and agree with original award documentation/contract file.

⁵ The Guide defines timeliness in two ways: (1) for the agency submission, reporting of the agency DATA Act submission to the DATA Act Broker is in accordance with the schedule established by the Treasury DATA Act Project Management Office (PMO), and (2) for each of the required data elements that should have been reported, the data elements were reported in accordance with the reporting schedules defined by the financial, procurement and financial assistance requirements.

⁶ The Guide defines the quality of the data elements as data that is complete, accurate, and timely.

⁷ USASpending.gov is the publicly accessible, searchable website mandated by the Federal Funding Accountability and Transparency Act of 2006 (FFATA) to give the American public access to information on how their tax dollars are spent.

⁸ This Guide presents a common methodology and reporting approach across the Inspectors General (IG) community to use in performing its mandated work. It does not restrict an auditor from pursuing issues or concerns related to the agency's implementation of the DATA Act.

⁹ The Working Group's mission is to assist the IG community in understanding and meeting its DATA Act oversight requirements by: (1) serving as a working level liaison with the Treasury, (2) consulting with the GAO, (3) developing a common approach and methodology, and (4) coordinating key communications with other stakeholders.



receive appropriations under the Coronavirus Aid, Relief, and Economic Security Act¹⁰ (CARES Act) to respond to the Coronavirus Disease 2019 (COVID-19) pandemic, and therefore was not subject to related reporting requirements.

We evaluated the NCUA's DATA Act submission to Treasury's DATA Act Broker and determined that the submission was complete and submitted timely. To be considered a complete submission, we evaluated Files A, B, and C to determine that all transactions and events that should have been recorded were recorded in the proper period. We reconciled Files A and B, and through our test work, we determined that Files A and B were accurate. Additionally, we reconciled the linkages between Files A, B, and C to determine whether the linkages were valid and to identify any significant variances. Our reconciliation did not identify any significant or unexplained variances between Files A, B, and C.

We also determined that the NCUA has fully implemented and uses the government-wide financial data standards for spending information established by OMB and Treasury. Specifically, the NCUA has identified and linked by common identifiers all the data elements in its accounting and financial award systems.

We selected a statistically valid sample of 93 out of 122 financial assistance records from the agency's File D2 and tested applicable data elements¹¹ for completeness, accuracy, and timeliness. Based on our assessment of these Files, we determined:

- The projected error rate for the completeness of the data elements is 3.05%.¹² A data element was considered complete if the required data element that should have been reported was reported.
- The projected error rate for the accuracy of the data elements is 3.42%.¹³ A data element was considered accurate when amounts and other data relating to the recorded transactions were recorded in accordance with the Data Act Information Model Schema (DAIMS), Reporting Submission Specification (RSS), Interface Definition Document (IDD), the online data dictionary, and agree with authoritative source records.
- The projected error rate for the timeliness of the data elements is 3.05%.¹⁴ The timeliness of the data elements was based on the reporting schedules defined by the financial assistance requirements, which included the Federal Funding Accountability and Transparency Act (FFATA),¹⁵ Financial Assistance Broker Submission (FABS), and DAIMS.

¹⁰ Public Law 116-136.

¹¹ See Appendix D, NCUA's Results for Data Elements.

¹² Based on a 95% confidence level, the projected error rate for the completeness of the data elements is between 2.81% and 3.29%.

¹³ Based on a 95% confidence level, the projected error rate for the accuracy of the data elements is between 3.16% and 3.67%.

¹⁴ Based on a 95% confidence level, the projected error rate for the timeliness of the data elements is between 2.81% and 3.29%.

¹⁵ Pub. L. No. 109-282.



Analysis of our sample testing results determined that the agency reported all dollar value-related data elements correctly. Although some errors existed in the agency's File D2, based on analysis of our testing results, we did not attribute these errors to the agency.

We assessed the NCUA's award-level submission to determine whether the linkages and data elements for Files C and D2 provided quality data and determined the NCUA's data quality score increased significantly due to an improvement in internal controls. These internal control improvements included: properly mapping the data elements to their authoritative sources; ensuring alignment of System for Award Management (SAM)¹⁶ data with information in its internal management systems; and timely publishing financial assistance data in accordance with applicable DATA Act reporting schedules. We assessed internal controls over source systems and the summary-level DATA Act submission and determined internal controls effectively managed and reported financial data¹⁷ in accordance with the DATA Act. As a result, NCUA's data quality score increased from "Lower" quality for the first quarter of fiscal year 2019 to "Excellent" quality for the fourth quarter of fiscal year 2020.

In addition, although the Senior Accountable Official¹⁸ (SAO) provides assurance at the time of certification in the DATA Act Broker in accordance with the NCUA's DATA Act data quality plan, we are making one suggestion to improve accountability over the NCUA's DATA Act submissions.

We appreciate the cooperation and courtesies NCUA management and staff provided to us during this audit.

¹⁶ SAM is an official website of the U.S. Government operated by the General Services Administration (GSA) where entities can register to do business with the U.S. Government, update or renew entity registration, search for entity registration and exclusion records, and more.

¹⁷ See Appendix D, NCUA's Results for Data Elements.

¹⁸ The NCUA's SAO is the Chief Financial Officer (CFO). SAOs are high-level senior officials who are accountable for the quality and objectivity of federal spending information. These senior leaders should ensure that the information conforms to OMB guidance on information quality and adequate systems and processes are in place within the agencies to promote such conformity.



BACKGROUND

The NCUA is an independent federal agency that insures deposits at federally insured credit unions and charters and regulates federal credit unions. The NCUA also protects the safety and soundness of the credit union system by supervising the Share Insurance Fund, which provides up to \$250,000 of federal share insurance to millions of account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions. The agency operates a headquarters in Alexandria, Virginia; an Asset Management and Assistance Center in Austin, Texas, to liquidate credit unions and recover assets; and three regional offices, which carry out the agency's supervision and examination program.¹⁹

Digital Accountability and Transparency Act of 2014

The DATA Act, enacted on May 9, 2014, expands on reporting requirements pursuant to the Federal Funding Accountability and Transparency Act of 2006 (FFATA). The DATA Act requires federal agencies to disclose direct agency expenditures and link contract, loan, and grant spending information to programs, thereby enabling taxpayers and policy makers to track federal spending more effectively. The DATA Act also requires that federal agencies report this information in accordance with government-wide financial data standards established by OMB and Treasury on USASpending.gov.²⁰

The DATA Act mandates the Inspectors General (IG) of each federal agency to audit a statistically valid sample of the spending data submitted by its federal agency and to submit to Congress a publicly available report assessing the completeness, accuracy, timeliness, and quality of the data sampled. These mandatory reports must also include an assessment of the agencies' implementation and use of the government-wide financial data standards.

OMB DATA Act Guidance

On May 8, 2015, OMB issued Memorandum M-15-12 (OMB M-15-12), *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*. OMB M-15-12 provided guidance to federal agencies on FFATA reporting requirements as well as new requirements under the DATA Act. To publish federal spending data on USASpending.gov (or its successor site), agencies are required to provide data to Treasury, to the extent practicable, using a standard data exchange (DATA Act Schema). This DATA Act Schema includes a standard classification and a standard format, or "language," for exchanging data and provides a comprehensive view of the data definition standards (commonly referred to as data elements) and their relationships to one another.²¹ OMB and Treasury published 57 required data definition standards and Treasury used the data definition standards to develop the initial draft of the DATA

¹⁹ The NCUA's three regional office locations include Alexandria, Virginia; Austin, Texas; and Tempe, Arizona.

²⁰ Mandated under the FFATA, USASpending.gov (<https://www.usaspending.gov/#/>) is a searchable website where the public can access information on entities and organizations receiving federal funds. The website gives the public access to information on how their tax dollars are spent.

²¹ Under FFATA, federal agencies report 259 data elements to USASpending.gov. The data elements include awardee and recipient information, award amount, award characteristics, funding and awarding entities, and account funding information.



Act Schema in May 2015.²² The DATA Act Schema provides an overall view of the hundreds of distinct data elements used to tell the story of how federal dollars are spent. It provides technical guidance for federal agencies about what data to report to Treasury, including the authoritative sources of the data elements and the submission format. The DATA Act Schema also provides clarity on how the public can better understand the inherent complexity of the data. Treasury collected public input and feedback from federal agencies on the DATA Act Schema and implemented a methodology to create the DAIMS Version 1.0. Since its creation, DAIMS has seen various updates and revisions. For the fiscal year 2020 fourth quarter submission, the scope period of our audit, NCUA used DAIMS Version 2.0 (v2.0).

Federal agencies are required to assign a unique Federal Award Identification Number (FAIN) to each financial assistance award. OMB M-15-12 included a new requirement for agencies to link information in their financial systems to their award management systems using an award identification (award ID). The award ID (FAIN for financial assistance and Procurement Instrument Identifiers - PIID²³ for procurement) serves as the key to associate data across award systems and financial systems. This linkage facilitates the timely reporting of award-level financial data, reduces reporting errors, and serves as the primary mechanism moving forward for associating expenditures with individual awards as required by FFATA and the DATA Act. OMB M-15-12 also required federal agencies to have award ID linkage for all modifications/amendments to awards made after January 1, 2017, to ensure data from the second quarter of 2017 could be reported to USASpending.gov by May 2017. As of January 2017, OMB requires Federal agencies to report financial and award data in accordance with the DATA Act reporting standards. Additionally, in May 2017, Treasury began displaying Federal agencies' data (in accordance with the DATA Act) on USASpending.gov.

On November 4, 2016, OMB issued OMB Memorandum M-17-04 (OMB M-17-04), *Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability*, which includes additional guidance on reporting requirements for agency SAOs. This guidance expands on SAO requirements to attest to the validity and reliability of the complete DATA Act submission, including the linkages between financial and award data.

On June 6, 2018, OMB issued Memorandum M-18-06 (OMB M-18-16), *Appendix A to OMB Circular No. A-123, Management of Reporting and Data Integrity Risk*. OMB M-18-16 includes a requirement for agencies to develop a data quality plan to achieve the objectives of the DATA Act. The purpose of the data quality plan is to identify a control structure tailored to address identified risks. Quarterly certifications of data submitted by agency SAOs should be based on the consideration of the data quality plan and the internal controls documented in their plan as well as other existing controls that may be in place, in the annual assurance statement process. The plan must be reviewed and assessed annually for three years or until the agency determines that sufficient controls are in place to achieve the reporting objective.

In April 2020, OMB issued M-20-21, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)*, which made changes to

²² The 57 data elements including definitions can be found at: <https://fedspendingtransparency.github.io/data-elements/>.

²³ The NCUA does not report its procurement transactions; therefore, PIIDs do not apply.



DATA Act reporting. Agencies that received COVID-19 supplemental relief funding must submit DATA Act Files A, B, and C monthly starting with the June 2020 reporting period. Also, these monthly submissions must include a running total of outlays for each award in File C funded with COVID-19 supplemental relief funds. Additionally, OMB M-20-21 added two additional data elements to promote full and transparent reporting of spending. These two elements increased the applicable data elements to 59, which IGs must also test under the DATA Act: (1) the National Interest Action code to help identify procurement actions related to the COVID-19 response; and (2) a Disaster Emergency Fund Code to include covered funds in the CARES Act that are not designated as emergency pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985,²⁴ in order to provide similar transparency for CARES Act funding.

Inspectors General Reports

The DATA Act requires agency IGs to submit a series of oversight reports beginning in November 2016.²⁵ Specifically, the DATA Act requires IGs to review statistical samples of the data submitted by their respective agencies and report on the completeness, timeliness, quality, and accuracy of the data sampled, as well as the data standards used by the agency. CIGIE identified a timing anomaly with the oversight requirements contained in the DATA Act. That is, the first IG reports were due to Congress in November 2016; however, federal agencies were not required to report spending data until May 2017. To address this reporting date anomaly, the IGs provided Congress with their first required reports by November 8, 2017, one year after the statutory due date, with two subsequent reports to be submitted following on a 2-year cycle, in November 2019 and November 2021.²⁶ On December 22, 2015, CIGIE's chair issued a letter²⁷ detailing the strategy for dealing with the IG reporting date anomaly and communicated the strategy to the Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Oversight and Government Reform (renamed the House Committee on Oversight and Reform in 2019). This is the third and final report required under the DATA Act. We included the results of our prior DATA Act audits in Appendix F, Prior Audit Coverage, of this report.

The CIGIE FAEC DATA Act Working Group's DATA Act Guide provided a common methodological and reporting approach for the IG community to use in performing its mandated work. The Guide contained a baseline framework to include an overall methodology, objectives, and audit procedures. In addition, the Guide indicated that the IG community could design and perform procedures based on specific systems and controls in place at its agency. The Guide included input from IGs, GAO, OMB, Treasury Project Management Office (PMO), agencies, and Congress.

²⁴ Public Law 99-177.

²⁵ The DATA Act required IGs to submit oversight reports to Congress in November 2016, 2018, and 2020.

²⁶ See Appendix G, Prior Audit Coverage, for additional details regarding the NCUA OIG's issued reports.

²⁷ See Appendix B, Anomaly Letter.



DATA Act's Applicability to the NCUA – The Community Development Revolving Loan Fund

The NCUA's operating fund contains the attributes of a revolving fund,²⁸ which is a permanent appropriation. The NCUA is authorized to collect annual operating fees from sources outside of congressional appropriations, define the purpose for which these collections may be used, and use the collections without fiscal year limitation.

Regarding the reporting of spending data, the NCUA's Office of the Chief Financial Officer (OCFO) requested that OGC provide an opinion on the NCUA's reporting requirements for the DATA Act. In January 2016, OGC advised that FFATA financial reporting requirements apply only to appropriated funds for the CDRLF. This opinion was consistent with its May 2013 opinion regarding FFATA. The OGC determined that because the NCUA's operating funds, including the National Credit Union Share Insurance Fund, derive from assessments on its insured entities and not from appropriations, the DATA Act reporting requirements only apply to the CDRLF.

On November 20, 1979, Congress established the CDRLF²⁹ for credit unions to stimulate economic development in low-income communities. Specifically, the CDRLF's purpose is to promote economic activities, which could lead to increased income, ownership, and employment opportunities for low-income residents as well as other economic growth. Federally chartered and state-chartered credit unions with a low-income designation are eligible to participate in the CDRLF's loan and technical assistance grant program. The NCUA receives a limited annual appropriation³⁰ from Congress to administer the CDRLF,³¹ and the NCUA's Office of Credit Union Resources and Expansion (CURE) manages the CDRLF.

Although the NCUA did not receive CARES Act appropriated funds in response to the coronavirus outbreak, the NCUA, through the CDRLF, developed the COVID-19 Emergency Fund Initiative to provide grants and interest-free loans to assist low income designated credit unions (LICUs). The NCUA earmarked approximately \$4.0 million in loans to aid LICUs as they respond to COVID-19 related hardships and work to alleviate the impact of the crisis in their communities. Through this initiative, eligible credit unions received a three-year interest-free loan of up to \$250,000. In addition, the NCUA earmarked \$0.8 million of multiyear appropriated funds to support the efforts of credit unions responding to COVID-19. Under the COVID-19 Emergency Fund Initiative, credit unions that have incurred expenses related to COVID-19 can apply for grants up to \$10,000.

Since establishing the CDRLF, Congress has appropriated approximately \$13.4 million for revolving loans. In 2020, the NCUA disbursed approximately \$2.3 million in loans through the COVID-19 Emergency Fund Initiative. As of the end of 2020, the CDRLF had approximately \$6 million in outstanding loans.

²⁸ A revolving fund amounts to "a permanent authorization for a program to be financed, in whole or in part, through the use of its collections to carry out future operations." GAO/PAD-77-25 at 47.

²⁹ Pub. L. No. 96-123.

³⁰ Assistance to credit unions is limited to the amount appropriated by Congress.

³¹ As previously noted, the only appropriation the NCUA receives from Congress is for the CDRLF.



During the year ended 2020, the CDRLF received a multiyear appropriation for technical assistance grants in the amount of \$1.5 million for obligation through September 30, 2021. As of December 31, 2020, the CDRLF had obligated \$1.6 million and canceled \$284.8 thousand of technical assistance grants awarded from multiyear funds. In response to COVID-19, the CDRLF repurposed a portion of the existing multiyear appropriation and issued \$1.5 million in emergency grants.

During the fourth quarter of fiscal year 2020,³² the scope period of our audit, the NCUA awarded \$291,000 in technical assistance grants to low-income designated credit unions from multiyear funds and deobligated approximately \$108,345. The NCUA also awarded \$346,900 in urgent needs grants and deobligated approximately \$1,905. Additionally, the NCUA disbursed \$750,000 in loans.

The NCUA's DATA Act Reporting Process

The NCUA uses two systems to manage CDRLF's grant and loan process – Delphi and CyberGrants. Delphi, the Enterprise Services Center's³³ (ESC) financial management system, manages the CDRLF's accounting transactions. CyberGrants, an external web-based system, manages the NCUA's financial assistance applications. CURE provides functional and technical oversight of the data recorded in CyberGrants while OCFO provides functional and technical oversight of the DATA Act reporting submission.

Credit unions apply for grants and loans through an online CyberGrants application. Credit unions must have an active account with the federal government's SAM to apply. The NCUA contracted with CyberGrants to develop an automated process that verifies whether a credit union has an active registration in SAM during the application process. If the credit union does not have an active SAM account, it must create one to complete the process. This feature, however, was not available for data entered into CyberGrants prior to the second quarter of fiscal year 2017 DATA Act submission.

After a preliminary review of the application, the grant administrator requests OCFO to create a purchase order or a tentative award. An OCFO accountant creates the purchase order in Delphi and informs CURE of the assigned purchase order number. For DATA Act reporting, this purchase order number equates to the FAIN. After the CURE Operations Division Director approves the purchase order in Delphi, the grant administrator enters the purchase order number into the CyberGrants application to track the awardee, then the CURE Director or designee approves the award in CyberGrants. CURE notifies the credit union once the final decision has been made in CyberGrants. Award disbursements are paid against the Delphi purchase order and any modification to the award amount also requires a modification to the purchase order.

Prior to submission of the DATA Act reporting requirements, OCFO performs various reconciliations. In addition to reconciling CyberGrants with Delphi, OCFO performs monthly

³² The NCUA reports its financial statements on a calendar year-end. The fourth quarter fiscal year 2020 is based on the governmentwide financial statement year-end of September 30. Therefore, our scope period covered July 1, 2020 through September 30, 2020.

³³ ESC is a federal shared service provider that operates as a division of the Department of Transportation.



reconciliations for Accounts Payable, Income/Expense, Equity, Cash and Loans. DATA Act reporting reconciliations incorporate with the CDRLF quarterly reconciliations, Government-wide Treasury Account System (GTAS) reporting, and the Report on Budget Execution and Budgetary Resources (SF-133).³⁴ Various Delphi and CyberGrants reports are used for reconciliation purposes. OCFO accountants prepare the reconciliations and a supervisory or peer accountant will review and approve them.

To identify and package the data for submission, the CDRLF uses DAIMS, which is comprised of the RSS, IDD, and the Practices and Procedures. The RSS contains information and instructions about the file format, content scope, and file organization agencies should use to extract information from their financial and award systems. The RSS features elements related to the following:

- File A – Appropriations Account Detail;
- File B – Object Class and Program Activity Detail; and
- File C – Award and Financial Detail.

The IDD provides information about what the DATA Act Broker³⁵ will pull from government-wide feeder systems for procurement and financial assistance, such as the Federal Procurement Data System – Next Generation (FPDS-NG),³⁶ SAM, FFATA Sub-award Reporting System (FSRS),³⁷ and the FABS.³⁸ The IDD features elements related to:

- File D1 – Award and Awardee Attributes (Procurement);
- File D2 – Award and Awardee Attributes (Financial Assistance);
- File E – Additional Awardee Attributes; and
- File F – Sub-award Attributes.

As previously mentioned, FFATA financial reporting requirements apply only to *appropriated* funds for the CDRLF; therefore, the NCUA is not required to report procurement transactions in

³⁴ The SF-133 is a quarterly report that contains information on the sources of budget authority and the status of budgetary resources by individual fund or appropriation. The DATA Act submission excludes Loan Financing Accounts on this report.

³⁵ The DATA Act Broker is a tool that Treasury developed to allow agencies to submit the required data in a standardized format. The Broker will accept data submitted directly from agencies and it will also pull data from existing data sources when needed. The Broker will validate agency data, allow agencies to certify the data, and complete the data submission and uploads to the DATA Act operating infrastructure.

³⁶ Agencies may submit prime contract transaction data through its contract financial system to FPDS-NG to be published on USASpending.gov. FPDS-NG is operated by the GSA.

³⁷ Prime recipients are required to report awards to first-tier sub-recipients to FSRS for display on USASpending.gov. FSRS is operated and maintained by GSA.

³⁸ Financial assistance transactions on awards of more than \$25,000 are reported to FABS by the agencies via file upload. The files are often created from the agencies grant systems. Data is then uploaded to USASpending.gov.



File D1. In addition, for the fourth quarter of fiscal year 2020 DATA Act reporting, Files E and F did not apply,³⁹ because credit unions were not required to report executive compensation or sub-awards.⁴⁰ File E of the DATA Act Information Model Schema contains additional awardee attribute information the DATA Act Broker extracts from SAM. File F contains sub-award attribute information the broker extracts from the FSRs. Files E and F data remain the responsibility of the awardee in accordance with terms and conditions of federal agreements; and the quality of this data remains the responsibility of the recipient. Therefore, agency SAOs are not responsible for certifying the quality of File E and F data reported by awardees, but they are responsible for assuring controls are in place to verify that financial assistance awardees register in SAM at the time of the award. As such, for these Files, we did not assess the completeness, timeliness, quality, and accuracy of the data extracted from SAM and FSRs via the DATA Act Broker system.

Quarterly, the NCUA's CDRLF OCFO accountant submits Files A, B, and C through the DATA Act Broker using the RSS.⁴¹ Data and data elements for these Files are derived from the Delphi system. For each reporting, the OCFO accountant reconciles the total obligations, total disbursements, and total deobligations for the reporting period and provides these reconciliations and supporting documentation to the SAO. The OCFO accountant schedules a briefing with the SAO within 45 calendar days after each quarter end to provide assurance to the SAO that the alignment of Files A through F⁴² and the data in each DATA Act File submitted for display on USASpending.gov are valid and reliable.⁴³ After the briefing, the SAO certifies the quarterly DATA Act submission within 45 calendar days from quarter end.⁴⁴ The OCFO accountant maintains approved reconciliation reports and supporting documentation.

Using the DATA Act submission format specified for File D2 for financial assistance awards of the IDD, the OCFO accountant submits new awards, deobligations, and reallocations within 15 days. The OCFO accountant uses Delphi and CyberGrants data to prepare File D2 for submission. To complement Files A, B, and C, the DATA Act Broker generates Files D1, D2, E, and F for a specified date range at the NCUA's request. The DATA Act Broker validates Files A, B, and C at the field level and cross validates all Files (A to F). The NCUA relies on these validations. The DATA Act Broker generates error or warning reports as appropriate. Errors represent major issues with data that will not allow the publication of data. Warnings will not prevent publication. After the NCUA addresses any reported errors, if applicable, the data can be certified and resubmitted. After the submission satisfies all Broker validations, the DATA Act reporting process is complete for the quarter and the data is displayed on USASpending.gov.

³⁹ Grants subject to the FFATA sub-award and executive compensation reporting requirements include: (1) new grants \$25,000 and over; and (2) reporting of sub-grants of federal grants where these sub-grants are \$25,000 and over.

⁴⁰ A sub-award generally refers to a monetary award made because of a federal award to a grant recipient or contractor to a sub-recipient or sub-contractor respectively.

⁴¹ See Appendix C, DATA Act Information Flow Diagram.

⁴² Assurance includes interconnectivity and linkages of award ID across all data files and explanations for any misalignment.

⁴³ Files A and B reconcile to the SF-133, File C reconciles to the financial statements, and file D2 reconciles to the award management system.

⁴⁴ The SAO certifies the DATA Act submission after GTAS submission. GTAS reporting occurs within 15 days from month end, and the SAO certifies the DATA Act submission within 30 calendar days after GTAS submission.



RESULTS IN DETAIL

The objectives of our audit were to assess the: (1) completeness, accuracy, timeliness, and quality of the financial and award data submitted for publication on USASpending.gov; and (2) federal agency's implementation and use of the government-wide financial data standards established by OMB and Treasury.

Results of our audit determined that NCUA's fiscal year 2020 fourth quarter submission to Treasury's DATA Act Broker was complete and submitted timely. Also, based on our assessment of the NCUA's DATA Act submission, we determined the NCUA's data quality score increased significantly due to internal control improvements. These improvements included properly mapping the data elements to their authoritative sources; ensuring alignment of SAM data with information in their internal management systems; and timely publishing financial assistance data in accordance with applicable DATA Act reporting schedules. As a result, NCUA's data quality score increased from "Lower" quality for the first quarter of fiscal year 2019 to "Excellent" quality for the fourth quarter of fiscal year 2020.

Furthermore, we determined that the NCUA fully implemented and used the government-wide financial data standards for spending information as defined by OMB and Treasury. Although we limited our review to the design of internal and information system controls as it relates to the extraction of data from the source systems and the reporting of data to the DATA Act Broker, we determined internal controls effectively managed and reported financial data in accordance with the DATA Act. Also, although we determined the SAO provides assurance at the time of the certification in the DATA Act Broker, we are making one suggestion related to SAO assurance statements and DATA Act Broker certification language to improve accountability over the agency's DATA Act submissions.

The detailed results of our audit follow.

**Internal Controls
Operating Effectively with
Improvements Noted**

Based on our assessment of internal controls, we determined that internal controls over information systems and processes related to the DATA Act were overall properly designed, implemented, and operating effectively. In addition, we determined internal controls improved since the last DATA Act audit. Specifically, these internal control improvements included properly mapping the data elements to their authoritative sources; ensuring alignment of SAM data with information in their internal management systems; and timely publishing financial assistance data in accordance with applicable DATA Act reporting schedules. NCUA management is responsible for the design, implementation, and operating effectiveness of the agency's controls. We assessed internal controls and compliance with laws and regulations necessary to satisfy the audit objectives. Because we limited our review to the design of internal and information system controls as it relates to the extraction of data from the source systems and the reporting of data to the DATA Act Broker, internal control deficiencies may have existed at the time of this audit that we did not identify.



Details

We obtained an understanding of internal controls significant to our audit objectives through inquiries; observations and walkthroughs; and inspection of documents during our transaction testing. Specifically, we reviewed management assurance statements; agency risk assessments and internal control reviews; the agency's data quality plan; and its DATA Act policies and procedures. Furthermore, we reviewed our previous DATA Act audit reports and the work of other auditors, including the agency's financial statement audit, audit of the agency's federal shared service provider, and GAO DATA Act audits. We also consulted GAO's Standards for Internal Control in the Federal Government to determine controls significant to the audit objectives.

Internal Controls over Source Systems

For the fourth quarter of fiscal year 2020, the NCUA used Delphi as the source system to report financial and award data for publication on USASpending.gov. To gain an understanding of the design of internal controls over Delphi, we reviewed the independent services auditor report, titled *Report on the Description of the ESC's System and the Suitability of the Design and Operating Effectiveness of Controls (Report on the Description of the ESC's System and the Suitability of the Design and Operating Effectiveness of Controls (Statement on Standards for Attestation Engagements (SSAE) 18 Service Organization Controls (SOC) 1– Type 2 Report)*, complementary controls, and the procedures the NCUA performed over this system. We also reviewed the NCUA's documentation to support their financial systems review in connection with the Federal Managers' Financial Integrity Act (FMFIA) statement of assurance and considered the work we performed during our previous DATA Act audits and reviews.⁴⁵

We determined the NCUA uses CyberGrants, the system of record for the CDRLF grant management process, to report some data elements in its File D2 submission. To gain an understanding of the data elements extracted from CyberGrants, we reviewed the agency's data element mapping and determined this system provides some source data for File D2.⁴⁶ We determined that for most of these data elements, CyberGrants derives information from SAM.gov. In addition, the agency reconciles the information obtained from CyberGrants reports with Delphi and SAM.gov.

⁴⁵ During our previous audit, we determined the NCUA is exempt from the Federal Financial Management Improvement Act of 1996 (FFMIA). The purpose of the FFMIA is to advance federal financial management by ensuring that federal financial management systems provide accurate, reliable, and timely financial management information to the government's managers. We obtained a legal opinion from the agency regarding this requirement. The FFMIA applies only to entities that are subject to the Chief Financial Officers Act of 1990 (CFO Act). The NCUA is not included among the named agencies. However, the NCUA funds may be subject to similar requirements.

⁴⁶ These data elements include: the Unique Record Identifier (URI), if applicable; action dates for some transactions; action type; Awardee Recipient Unique Identifier; Awardee or Recipient Legal Entity Name; Legal Entity Zip Plus 5; Legal Entity Zip 5; Legal Entity Zip Last 4; Legal Entity Congressional District; Primary Place of Performance Zip +4; and Primary Place of Performance Congressional District.



Based on our work performed for both systems, we did not identify any internal control weaknesses or deficiencies that would impact the NCUA's DATA Act reporting. Therefore, we assessed the risks associated with the Delphi and CyberGrants systems as low and did not perform alternate procedures.

Federal Shared Service Provider

The NCUA uses a federal shared service provider (FSSP), Department of Transportation's ESC, for financial management services. Although the NCUA uses ESC's Delphi system to prepare Files A, B, and C, ESC does not provide DATA Act submission services for the NCUA or transmit data on behalf of the agency to USASpending.gov. However, the agency relies on ESC to process transactions and support the application. The OMB requires ESC, as a management services provider, to either provide its user organizations with independent audit reports on the design and effectiveness of its internal controls or allow user auditors to perform tests of its controls. Delphi provides for a common system and transaction processing needs, which reduces significant risks in cost, quality, and performance. As previously mentioned, we reviewed the independent services auditor report, titled *Report on the Description of the ESC's System and the Suitability of the Design and Operating Effectiveness of Controls (SSAE 18 SOC 1– Type 2 Report)*. This report did not contain any findings that would affect the NCUA's ability to submit accurate, complete, and timely data for publication on USASpending.gov. In addition, NCUA management advised us they had no concerns regarding ESC. We determined that ESC's responsibilities related to DATA Act reporting included: (1) processing supplier change requests submitted by the NCUA for purchase order set-up to ensure consistent and accurate data is reflected in Delphi and (2) processing agency change requests on data element fields required in DATA Act reporting requirements.

Internal Controls over DATA Act Submission

For the DATA Act submission, we determined the most significant internal control components related to control activities and monitoring to ensure the agency reports complete, accurate, and timely (quality data) on USASpending.gov. To assess internal controls over data management and processes used to report financial and award data to USASpending.gov, we reviewed the NCUA's data quality plan, Enterprise Risk Management profile, and its FMFIA statement. Furthermore, we performed a walkthrough to identify and evaluate internal controls over the submission process; and we reviewed the NCUA's supporting documentation to support its submission. We learned that internal controls included segregation of duties throughout the grant award and DATA Act reporting processes; various reconciliations performed between various data sources; and reviews performed by senior management.

We determined that the NCUA did not identify any deficiencies in internal control or other limitations that would prevent the SAO from certifying that the data submitted for publication on USASpending.gov was complete, accurate, timely, of quality, and complied with the established government-wide financial and award data standards. We also confirmed that, prior to the final DATA Act submission, the NCUA tested the submission Files with the Treasury DATA Act Broker and all three Files passed the validation checks with no reported errors. The SAO also provided assurance over this submission.



We reviewed the NCUA's Enterprise Risk Management profile and noted that the profile did not include risks related to DATA Act reporting. NCUA management stated this profile did not include risks for DATA Act reporting due to the immaterial size of the CDRLF's annual appropriation and activity and therefore does not rise to the level of an enterprise risk by itself. However, the NCUA does have two broader enterprise risks that would potentially encompass or relate to Data Act reporting: (1) Agency Controls and (2) Data Integrity.

We obtained the NCUA's FMFIA statement to determine whether the agency's systems of internal accounting and administrative controls comply with the requirements with FMFIA. We reviewed the results of annual internal control assessments to gain familiarity with the documented risks and considered these risks during this audit. These assessments did not identify any material weaknesses in the agency's system of internal accounting and administrative control. We also determined that management's assurances leveraged data quality and management controls established in statute, regulation, and federal policy. Management's assessments were aligned with the internal control risk and risk management strategies in OMB Circular No. A-123.

During our review of transactions and the agency's reporting process, we noted the agency made several improvements to its internal controls over DATA Act reporting. These improvements included properly mapping the data elements to their authoritative sources; ensuring alignment of SAM data with information in their internal management systems; and timely publishing financial assistance data in accordance with applicable DATA Act reporting schedules.

Data Quality Plan

We reviewed the NCUA's data quality plan to gain an understanding of the agency's processes, internal controls, and what the agency determined to be significant concerns or issues. The agency's data quality plan, which references its DATA Act Reporting Guidelines and Policy dated May 2018, has improved since the agency's May 2017 publication. Specifically, the updated data quality plan includes an overview of the data quality plan, the current organizational structure, an overview of the risk assessment process, and the remediation process to correct internal control deficiencies as suggested by the Data Quality Playbook.⁴⁷ In addition, the agency's DATA Act policies and procedures provide reporting standards, roles and responsibilities, and key controls.

The data quality plan states that the agency will assess and identify risk and strengthen controls of the DATA Act reporting process; and the agency's internal control and improvement process team will leverage existing methodologies for testing internal controls of the DATA Act reporting process as necessary. Furthermore, to correct internal control deficiencies identified during the DATA Act reporting process, the agency documented a remediation process.

Because the data quality plan did not specifically identify high-risk data and the agency did not identify high-risk elements during its 2020 annual internal control assessment related to DATA Act reporting, we asked NCUA management about the potential for high-risk reported data. The agency

⁴⁷ The Data Quality Playbook, issued in November 2018, resulted from a collaboration between agencies, OMB, and Treasury.



responded that due to the size of the annual appropriated amount and nature of the fund's activity, NCUA's DATA Act reporting overall is considered immaterial and low risk.

In addition, we also asked NCUA management whether the agency considered the data quality plan during the fiscal year 2020 fourth quarter SAO certification process for the selected scope period. Management indicated that they did consider the data quality plan during the certification process and provided the quarterly DATA Act certification package, which contained the following:

- CFO DATA Act Briefing – a summary of the DATA Act reporting presented to the SAO;
- Data Act Reconciliation – reconciliations performed that support the briefing data;
- DATA Act Broker Certification – screenshot of the File A, B and C submission in the Data Act Broker certified by the SAO; and a
- Screenshot of the meeting invite for the quarterly certification and read-ahead for the briefing.

Based on our internal control assessment, we determined that internal controls over information systems and processes related to the DATA Act were overall properly designed, implemented, and operating effectively. We also determined the agency made several internal control improvements since our last DATA Act audit. Therefore, we are not making recommendations relating to the agency's internal control environment.

Data Standards Fully Implemented and Used

We evaluated the NCUA's implementation and use of the government-wide financial data standards for spending information as developed by OMB and Treasury and determined the agency has fully implemented and is using those standards as defined. Specifically, we determined the NCUA has identified, defined, and linked by common identifiers, e.g. FAIN, all the data elements in its accounting and financial assistance award systems in accordance with DAIMS. We did not identify gaps, control deficiencies, or instances where the agency did not use the data standards.

Details

The NCUA used DAIMS v2.0 for the fiscal year 2020 fourth quarter reporting period. We obtained the NCUA's data inventory/mapping for Files A, B, C, and D2 to ensure that the standardized data elements and OMB and Treasury definitions per the DAIMS were used across agency business processes, systems, and applications. The NCUA's data mapping identified the source systems where the data resides. Based on our test work, we determined the NCUA consistently used the OMB and Treasury established data elements per its inventory/mapping for the agency's submission Files.



**Submission and
Certification Process
Remain Adequate**

We determined that the agency's DATA Act submission and certification process remain adequate. From the DATA Act Broker, we obtained the NCUA's fiscal year 2020 fourth quarter data submission files; final warning reports; and the final SAO assurance/certification statement over the quarterly NCUA submission for publication on USASpending.gov. We also obtained the NCUA's reconciliations between the various File linkages in the submission; DATA Act Broker warning remediation attempts; the SF-133, Report on the Budget Execution and Budgetary Resources for the reporting period; and additional supporting documentation to support the completeness and timeliness of the NCUA's submission. We reviewed the final warning and validation reports as well as the NCUA's reconciliations and found no warnings or errors that impacted the data submission. In addition, the final SAO assurance/certification statement did not identify any data quality issues. However, based on our review of the agency's data quality plan and the SAO assurance statement, we are making one suggestion to improve accountability over the agency's DATA Act submissions.

Details

To assess the agency's submission, we reviewed the agency's certification and submission process. We also determined the timeliness of the agency's submission; the completeness of summary-level data for Files A and B; and the completeness of File C and whether it was suitable for testing.

Agency Certification and Submission Process

We reviewed the final warning and validation reports, reconciliations, and other supporting documentation for the quarterly DATA Act submission. During our review, we determined that the NCUA attempted to resolve a File A warning issue. This warning, which occurs with every File A submission, involves appropriations, which the agency is not required to report. In 2017, OMB requested the NCUA contact the DATA Act PMO to update system edits for these warnings. However, the USASpending.gov service desk responded that because this was just a warning and did not prevent the NCUA from submitting its data, it was a low priority issue to correct. The service desk indicated that the DATA Act Broker is not currently designed to suppress warnings or errors on a fund by fund basis.

We also reviewed the final warning and validation reports, reconciliation reports, and other relevant supporting documentation from NCUA's systems used to report the data in File D2 and determined the impact on the data submission. We determined that two D2 Files contained warnings, the July 30, 2020 and September 8, 2020 submissions. The July 30, 2020 submission contained three warnings relating to the LegalEntityZipLast4. The September 8, 2020 File contained three warnings relating to the LegalEntityZipLast4, one warning related to LegalEntityZip5, and one warning relating to the primary place of performance. There were no reported critical errors.

Furthermore, we reviewed the final SAO assurance/certification for the fiscal year 2020 fourth quarter data submission and determined the SAO did not (1) identify any data limitations or quality issues and (2) include explanatory text with the certification. Because the agency's quarterly



submission files did not include any critical errors to address, management did not take corrective actions on these files.

Through our review of the data quality plan and certification package, we determined the SAO provides quarterly assurance that the agency's internal controls support the reliability and validity of the agency's summary-level and record-level data reported for publication on USASpending.gov. Also, we learned that although the SAO does not type additional language into the certification statement, the SAO certifies the data based on the controls included in the agency's data quality plan. The SAO's responsibility includes reviewing the submission based on the assurances included in the data quality plan. The data quality plan states the SAO provides the following two assurances on the DATA Act Files during the certification process:

- The alignment among the Files A-F is valid and reliable.
- The data in each DATA Act File submitted for display on USASpending.gov are valid and reliable.

Although the SAO provides assurance at the time of certification in the DATA Act Broker in accordance with the data quality plan, we are making one suggestion to improve accountability over the agency's DATA Act submissions. During the certification process for each DATA Act submission, we suggest NCUA management: (1) ensure the SAO provides a signed assurance statement, outside of the DATA Act Broker, that supports the agency's submission and includes any known variances, issues, or data limitations impacting the agency's submission for the specific reporting period; and (2) if applicable, provide additional language in the DATA Act Broker certification statement to support the submission. Management indicated the agency would implement this suggestion.

Timeliness of the Agency Submission

We evaluated the NCUA's fiscal year 2020 fourth quarter DATA Act submission to the DATA Act Broker and determined the submission was timely. To be considered timely, the submission had to be submitted and certified within 45 days of quarter end. In accordance with the reporting schedule established by the Treasury DATA Act PMO, we determined that the agency submission would be considered timely when the NCUA submitted its fiscal year 2020 fourth quarter data to the DATA Act Broker by November 16, 2020. We reviewed the agency's submission in the DATA Act Broker and determined the NCUA certified its submission on that date. Also, because the NCUA did not receive CARES Act appropriations, the agency was not required to submit data monthly in accordance with OMB M-20-21.

Completeness of the NCUA's Submission

We evaluated the NCUA's DATA Act submission to the DATA Act Broker and determined it was complete. Specifically, we evaluated Files A and B to determine that all transactions and events that should have been recorded were recorded in the proper period. First, we assessed the completeness of File A by comparing to the agency's SF-133 and determined that it was complete. Next, we reconciled File A to B. We did not identify any variances between Files A and B and confirmed



with management that the NCUA's summary-level data did not include intragovernmental transactions. Additionally, we reconciled Files B and C and determined these Files contained valid linkages. However, we noted some variances between these files and determined File C did not contain all transactions recorded during the period.

Completeness of Summary-Level Data for Files A & B

We reviewed summary-level data reconciliations and linkages for Files A and B and did not identify any variances. Our test results verified: (1) summary-level data from File A matched the agency's SF-133; (2) the totals and Treasury Account Symbols (TAS) identified in File A matched File B; and (3) all object class codes from File B match codes defined in Section 83 of OMB Circular No. A-11, *Preparation, Submission, and Execution of the Budget*.

Specifically, to assess the completeness of File A, we reviewed the NCUA's File A and determined it included all TAS from which funds are obligated. We also selected all summary-level data and matched the elements to the NCUA's GTAS SF-133, except for Loan Financing Accounts. To assess the completeness of File B, we compared File B to the TASs listed in File A and determined File B included all the TASs contained in File A. In addition, we verified that the total obligations in File A equaled the total obligations in File B.

For File B, we verified that all object class codes matched the codes defined in Section 83 of OMB Circular A-11. The only object class reported in the NCUA's submission was 410, which relates to grants, subsidies, and contributions. We verified that all program activity names and codes from File B matched the names and codes defined in the MAX Collect repository established by OMB Budget Data Request 17-09 as the authoritative source for program activity purposes. File B contained the following two program activity codes and corresponding names: "1" for technical assistance and "801" for loans. Based on the contents of File B, we determined the agency used the correct program activity codes.

Completeness of File C and Suitability for Sampling

We assessed the sufficiency of the agency's method of determining the completeness of File C and whether the File contained all transactions and linkages that should be included, as well as the agency's methodology for resolving DATA Act Broker warnings between Files C and D2. We determined the NCUA's method was sufficient to determine the completeness of File C and whether it contained all transactions and linkages that should be included. The NCUA did not have DATA Act Broker warnings related to File C that needed to be addressed.

Next, we assessed the linkage of File C to File B through TAS, object class, and program activity data elements and noted that all elements in File C also existed in File B. We then compared the award IDs or FAINs in each File to ensure that both Files included all FAINs. We determined File C only included obligation amounts for each financial assistance award granted during the reporting quarter (July 1, 2020 – September 30, 2020). Although all data elements in File C linked to File B, not all data elements from File B were included in File C. For example, File C did not contain the TAS related to the loan appropriations included in File B. Accordingly, File C did not contain the object class 330 (investments and loans) and did not contain the program activity code 801 (loans).



The NCUA awarded 27 multi-year financial assistance awards⁴⁸ totaling \$291,000 and 49 urgent needs grants totaling \$346,900 in the fourth quarter of fiscal year 2020. The agency also deobligated 43 transactions, a total of \$110,249.08 in grant awards. We confirmed that these total amounts agreed with Files A and B. File C did not contain outlays, which was not required, because the agency did not receive CARES Act appropriations.

We also assessed the completeness of File C by reconciling the FAINs from File C to File D2 and vice versa. We noted that although File C contained all the grant awards, it did not include three loans totaling \$750,000 that the agency reported in File D2. File D2 contained 119 financial assistance grants and the three loans for a total of 122 transactions. Because File C did not contain the \$750,000 in loans disbursed and reported in File D2, we determined File C to be incomplete for the purpose of selecting our statistically valid sample. Therefore, we derived our sample from File D2.

We reviewed the agency's submission and determined that it did not contain cross-file warnings between Files C and D2 or warnings related to File C to resolve. The only variances we noted involved the loans included in File D2 but not in File C. We determined the agency explained these variances in its reconciliations.

There are several situations where an award could validly be included in File C but not in File D2 or vice versa. A DATA Act FAQ document for agencies stated that loans should not be included in File C. Also, a DAIMS v2.0 Broker rule, implemented in July 2020, stated the following:

"Unique FAIN or Unique Record Identifier (URI) from File D2 should exist in File C, except for:

- 1) Loans (AssistanceType = 07 or 08) with OriginalLoanSubsidyCost <= 0 in D2; or
- 2) Non-Loans with FederalActionObligation = 0 in D2."

The NCUA contacted a DATA Act subject matter expert (SME) regarding its CDRLF loans. The SME confirmed that populating the Original Loan Subsidy cost field as "0" for the CDRLF loans was correct and in accordance with the DATA Act validation rules. According to these rules, transactions with a net wash out in the Status of Resources should be excluded. Because loans issued to credit unions result in a net zero effect for the same transaction event, these loans should be excluded from File C.

The agency's File D2 contained only non-aggregate records. For these records, we compared the FAIN in File D2 to File C to assess the completeness of File C. The Guide stated to select a nonstatistical sample from File C if there were concerns about the completeness of File C. Although we determined File C was not complete for purposes of selecting a statistical sample, we did not develop criteria for a non-statistical sample using this work. The only transactions missing from

⁴⁸ For the financial assistance awards, the agency split one grant between two funds in File C. This resulted in two entries for one FAIN. File C contained a total of 120 transactions, but 119 unique FAINs.



File C related to three loans, which were validly excluded from File C and correctly included in File D2.

**Files C and D2
Linkages and Data
Elements Provide
Quality Data**

We determined Files C and D2 properly link and provide quality data. The DATA Act requires the IGs for each federal agency to review a statistically valid sample⁴⁹ of the spending data submitted; assess the completeness, timeliness, quality, and accuracy of the data sampled; and assess the federal agency's implementation and use of the government-wide financial data standards established by OMB and Treasury. To determine how to select our sample for data element testing, we consulted the Guide. Because we determined File D2 to be more complete than File C, we used File D2 to select our sample. We used this sample to conduct our testing, which involved matching data elements in File D2 to their authoritative sources. In addition to selecting our sample, we assessed the NCUA's award-level submission to determine whether the linkages and data elements for Files C and D2 provided quality data. Although we noted variances between these Files, we determined these variances resulted from the appropriate exclusion of loans from File C and therefore would not have an adverse impact on the overall quality of the DATA Act submission.

Details

Following are the results of our sample selection and analysis of the award-level linkages between Files C and D2.

Sampling Methodology

In accordance with the Guide, we selected a sample of certified spending data for testing. If determined to be suitable for sampling, the Guide recommended selecting the sample from the agency's File C. As previously mentioned, we determined that the NCUA did not report financial assistance awards as aggregate records as the NCUA granted only one financial assistance award per applicant. Also, we determined File C did not contain all financial assistance award data because it excluded three loans. Therefore, we selected a statistically valid sample of certified spending data from the agency's File D2 submission.

Sample Selection

Although the Guide recommended a sample size of 385 records, it also provided an alternate sample size formula for agencies with smaller populations and a high expected error rate. After a sample size was determined and a sample selected, the Guide states that IGs should test detailed record-level linkages and data elements for Files C and D2 for completeness, timeliness, accuracy, and quality. We determined the NCUA had a smaller population in its File D2, a total of 122 transactions. Also, based on the test results from our previous DATA Act audit, we determined the

⁴⁹ The American Institute of Certified Public Accountants defines statistical sampling as "An approach to sampling that has the following characteristics: (a) Random selection of the sample items and (b) The use of an appropriate statistical technique to evaluate sample results, including measurement of sampling risk.



agency had a high expected error rate. Using the alternate sample size formula and the population of 122 transactions, we calculated a sample size of 93 transactions for testing.

Award-Level Linkages for Files C and D2

We assessed the NCUA's award-level submission to determine whether the linkages and data elements for Files C and D2 provided quality data. Specifically, we tested the linkages between Files C and B by TAS, object class, and program activity, and the linkages between Files C and D2 by matching by the FAIN or URI. During our testing, we identified three records in File D2 that were not reported in File C. However, based on our test results, the linkages from File C to File D2 did work properly. As previously mentioned, we determined the variances were attributed to loans that the agency properly excluded from File C. This variance would not have an adverse impact on the overall quality of the DATA Act submission, and the agency adequately provided supporting documentation for these loan variances between Files C and D2.

**Complete, Accurate,
and Timely Data
Submitted**

Upon completion of testing, we performed an analysis of our results. The results of our analysis determined that the agency submitted complete, accurate, and timely data. We also determined that the agency reported all dollar value-related data elements correctly and without error. In addition, we analyzed all data element errors identified during our testing to determine

whether to attribute them to the NCUA or a third party. Based on this analysis, we attributed all errors to third parties. Therefore, overall, we did not identify any errors attributable to the NCUA's submission or systems.

Details

Upon completion of testing, we performed an analysis of our testing results. These analyses included the results of our data element testing; the accuracy of dollar value-related data elements; and whether errors identified were attributable to the NCUA or a third party. Following are the results of these analyses.

Data Element Analysis

To analyze data elements, we identified the number of errors and the error rate associated with each data element. We used this information to calculate the overall completeness, accuracy, and timeliness of the data elements. Following are the results of our data element analysis:

Completeness of the Data Elements

The projected error rate for the completeness of the data elements is 3.05%. A data element was considered complete if the required data element that should have been reported was reported. Based on a 95% confidence level, the projected error rate for the completeness of the data elements is between 2.81% and 3.29%.



Accuracy of the Data Elements

The projected error rate for the accuracy of the data elements is 3.42%. A data element was considered accurate when amounts and other data relating to the recorded transactions were recorded in accordance with DAIMS, RSS, IDD, and the online data dictionary, and agreed with the originating award documentation. Based on a 95% confidence level, the projected error rate for the accuracy of the data elements is between 3.16% and 3.67%.

Timeliness of the Data Elements

The projected error rate for the timeliness of the data elements is 3.05%. The timeliness was based on the reporting schedules defined by the financial assistance requirements (FFATA, FABS, and DAIMS). Based on a 95% confidence level, the projected error rate for the timeliness of the data elements is between 2.81% and 3.29%.

Analysis of the Accuracy of Dollar Value-related Data Elements

We reviewed the accuracy of dollar value-related data elements based on absolute values to capture the magnitude of any deviations resulting from errors. During our analysis, we determined all dollar value-related data elements to be correct and without error. However, these results are not projectable because we performed the statistical sample test on attributes and not monetary amounts.

Analysis of Errors in Data Elements Not Attributable to the NCUA

We analyzed the results of our data element testing to determine whether to attribute these errors to the NCUA or a third party. There are instances where errors are caused by an entity other than the agency. For example, if the Treasury's DATA Act Broker extracted the wrong field from a source system, this would not be an error attributable to the agency. The agency may have recorded the correct information in the source system, but due to an external third party extracting the incorrect field, the data was not reported accurately. In this instance, the error is included in the statistical results.

For NCUA's File D2, the DATA Act Broker will either derive information from government-wide feeder systems or extract data associated with submitting agency and agency-specified action dates. During our File D2 testing, we identified errors resulting from data elements derived from third-party systems that we considered as errors not attributable to the NCUA.⁵⁰ Although we could not determine the exact cause of all errors, we attributed the following errors to third parties:

- Ultimate Parent Unique Identifier – File D2 contained 58 blank values for this data element. The agency does not report this data element in its File D2, because it is derived from FABS. Therefore, we attributed these errors to the DATA Broker extracting data from FABS.

⁵⁰ See Table 1, File D2 Errors Not Attributable to the NCUA and Appendix D, NCUA's Results for Data Elements and Appendix E, Comparative Results for Data Elements.



- Ultimate Parent Legal Entity Name – File D2 contained 58 blank values for this data element. The agency does not report this data element in its File D2, because it is derived from FABS. Therefore, we attributed these errors to the DATA Broker extracting data from FABS.
- Legal Entity City Name and Primary Place of Performance City Name – File D2 contained one error for each of these data elements, which related to the same transaction. These data elements did not agree with SAM.gov. The agency does not report these data elements in its File D2, because they are derived from FABS. Therefore, we attributed these errors to the DATA Broker extracting data from FABS.
- Primary Place of Performance Zip plus 4 and Legal Entity Zip Last 4 - File D2 contained one error for each of these data elements. These data elements did not match SAM.gov. The SAM.gov website reported these data elements as blank; however, the “Last 4” digits reflected in the File D2 submission for both data elements matched the P.O. Box listed on this website. Although the Primary Place of Performance Zip plus 4 data elements can either be extracted from the Agency FABS Submission or derived by FABS per Record Type, the Legal Entity Zip Last 4 should be extracted from the agency’s submission. As previously mentioned, the agency’s CyberGrants system extracts these data elements from SAM.gov. The agency provided a report from its CyberGrants system that matched the reported data and contacted CyberGrants to determine the cause of the error. CyberGrants indicated the SAM Zip Plus 4 is populated with the value received from SAM in the getEntities application programming interface call for a specific DUNS number.⁵¹ CyberGrants also indicated the value is the correct value for the credit union’s mailing address/P.O. Box. However, because SAM.gov reported this data element as blank, we determined these errors could be attributed to a third party. Therefore, we counted these data elements as errors but did not attribute them to the NCUA.
- Legal Entity Congressional District and Primary Place of Performance Congressional District – File D2 contained five errors for each of these data elements, which related to the same five transactions. Although the Legal Entity Congressional District and the Primary Place of Performance Congressional District codes in File D2 matched SAM.gov and the agency’s CyberGrants system, these data elements did not match the Congressional District provided on House.gov when searching by the Legal Entity Address. Because the data element values did not match House.gov, we counted these instances as errors. However, because the agency’s submission agreed with SAM.gov, we did not attribute these errors to the NCUA.

Table 1 below summarizes these File D2 errors.

⁵¹ The value located in the returned xml file is in the following location:
getEntities/listOfEntities/entity/coreData/businessInformation/physicalAddress/ZIPCodePlus4.



Table 1. File D2 Errors Not Attributable to the NCUA

File D2 Errors Not Attributable to the NCUA			
FAIN/PIID	DAIMS Element #	Data Element Name	Attributed to
FAIN	3	Ultimate Parent Unique Identifier	Treasury's DATA Act Broker Extracting from FABS
FAIN	4	Ultimate Parent Legal Entity Name	Treasury's DATA Act Broker Extracting from FABS
FAIN	5	Legal Entity City Name	Treasury's DATA Act Broker Extracting from FABS
FAIN	30	Primary Place of Performance City Name	Treasury's DATA Act Broker Extracting from FABS
FAIN	5	Legal Entity Zip Last 4	Unknown third-party system
FAIN	6	Legal Entity Congressional District	Unknown third-party system
FAIN	30	Primary Place of Performance Zip Plus 4	Unknown third-party system
FAIN	31	Primary Place of Performance Congressional District	Unknown third-party system

We determined the NCUA's data quality score increased significantly due to an improvement in internal controls. These improvements included properly mapping the data elements to their authoritative sources; ensuring alignment of SAM data with information in their internal management systems; and timely publishing financial assistance data in accordance with applicable DATA Act reporting schedules. To determine the agency's overall data quality, we used a Quality Scorecard (Scorecard) designed by the CIGIE FAEC DATA Act Working Group. This Scorecard provides government-wide consistency in the measurement of quality and measures data quality by including and assigning quantifiable values to non-statistical testing and weighing those results with statistical testing results. Based on our testing and the Scorecard results, NCUA's quality score increased from "Lower" quality for the first quarter of fiscal year 2019 to "Excellent" quality for the fourth quarter of fiscal year 2020.

Details

"Excellent" Quality Data Reported

Quality of data is defined as data that is complete, accurate, and timely, and includes statistical and non-statistical testing results. The assessment of overall quality of data is not a projected measurement but is derived using a combination of statistical and non-statistical methods. The Scorecard is formatted to calculate based on weighted scores of both statistical sampling results and non-statistical sampling results. Following are the overall quality results from the NCUA's Scorecard:



Overall Quality Determination

Based on the results of our statistical and non-statistical testing for the NCUA's Data Act audit for fiscal year 2020 fourth quarter, the NCUA scored 97.404 points, which is a quality rating of **Excellent**. Table 2 below provides the quality level ranges used in determining the quality of the data elements and Table 3 provides the NCUA's Scorecard results.

Table 2. Quality Level Ranges to Determine Data Quality

Quality Level		
Range		Level
0	69.999	Lower
70	84.999	Moderate
85	94.999	Higher
95	100	Excellent

Source: CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act, 12/4/2020, Section 820.05.



Table 3. NCUA's Scorecard Results

National Credit Union Administration			Maximum Points Possible	
DATA Act Quality Scorecard			Without Outlays (No COVID-19 Funding)	With Outlays (COVID-19 Funding)
	Criteria	Score		
Non- Statistical	Timeliness of Agency Submission	5.0	5.0	5.0
	Completeness of Summary Level Data (Files A & B)	13.0	13.0	10.0
	Suitability of File C for Sample Selection	12.6	13.0	10.0
	Record-Level Linkages (Files C & D1/D2)	8.8	9.0	7.0
	COVID-19 Outlay Testing Non-Statistical Sample	<i>No COVID-19 Funding</i>	0.0	8.0
Statistical	Completeness	14.5	15.0	15.0
	Accuracy	29.0	30.0	30.0
	Timeliness	14.5	15.0	15.0
Quality Score	Excellent	97.40435519	100.0	100.0



Based on our testing results and our Scorecard assessment, we determined the NCUA's data quality score increased significantly due to an improvement in internal controls. These improvements included properly mapping the data elements to their authoritative sources; ensuring alignment of SAM data with information in their internal management systems; and timely publishing financial assistance data in accordance with applicable DATA Act reporting schedules. As a result, NCUA's quality score increased from "Lower" quality for the first quarter of fiscal year 2019 to "Excellent" quality for the fourth quarter of fiscal year 2020.



OBJECTIVE, SCOPE, AND METHODOLOGY

The objectives of this audit were to assess: (1) the completeness, accuracy, timeliness, and quality of the fiscal year 2020 fourth quarter financial and award data submitted for publication on USASpending.gov; and (2) the NCUA's implementation and use of the government-wide financial data standards established by OMB and Treasury. The scope of our audit covered the period of July 1, 2020 through September 30, 2020.

We conducted this audit from March 2021 to November 2021. To achieve our objectives, we used the *Inspectors General Guide to Compliance Under the DATA Act* provided by the CIGIE FAEC DATA Act Working Group. Following this guidance, we:

- obtained an understanding of any regulatory criteria related to the NCUA's responsibilities to report financial and award data under the DATA Act;
- reviewed the NCUA's data quality plan;
- assessed the internal and information system controls in place as they relate to the extraction of data from the source systems and the reporting of data to Treasury's DATA Act Broker, in order to assess audit risk and design audit procedures;
- reviewed and reconciled the fiscal year 2020 fourth quarter summary-level data submitted by the NCUA for publication on USASpending.gov;
- reviewed a statistically valid sample from fiscal year 2020 fourth quarter financial and award data submitted by the NCUA for publication on USASpending.gov;
- assessed the completeness, accuracy, timeliness, and quality of the financial and award data sampled; and
- assessed the NCUA's implementation and use of the 59 data elements/standards established by OMB and Treasury.

As previously mentioned, the NCUA uses two systems to manage its grant and loan process – Delphi and CyberGrants. Because we used computer-processed data from these systems, we obtained a sufficient understanding of information systems controls necessary to assess audit risk and plan the audit within the context of the objectives. We relied on our analysis of interviews; walkthroughs; agency policies and procedures; reconciliations between systems; and corroborating



data obtained from external systems, such as Treasury's DATA Act Broker and SAM.gov, to support our conclusions.⁵²

We conducted this audit in accordance with performance audit standards contained in the Generally Accepted Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

⁵² For Delphi, we relied on the *SSAE 18 SOC 1– Type 2 Report* and complementary controls and procedures NCUA performs over this system. For Cybergrants, we relied on information technology general controls work performed over the NCUA's CDRLF during the agency's financial statement audit.



ANOMALY LETTER

CIGIE's DATA Act Anomaly Letter⁵³ Submitted to the Senate Committee on Homeland Security and Government Affairs and the House Committee on Oversight and Government Reform.



December 22, 2015

The Honorable Ron Johnson
Chairman
The Honorable Thomas Carper
Ranking Member
Committee on Homeland Security
and Governmental Affairs
United States Senate
Washington, D.C.

The Honorable Jason Chaffetz
Chairman
The Honorable Elijah Cummings
Ranking Member
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, D.C.

Dear Mr. Chairmen and Ranking Members:

The Council of the Inspectors General on Integrity and Efficiency (CIGIE) recognizes and appreciates your leadership on issues of Government transparency and accountability. In particular, we believe the enactment last year of the Digital Accountability and Transparency Act of 2014 (DATA Act) will significantly improve the quality of Federal spending data available to Congress, the public, and the accountability community if properly implemented. To make sure this happens, the DATA Act provides for strong oversight by way of the Federal Inspectors General and the Government Accountability Office (GAO). In particular, the DATA Act requires a series of reports from each to include, among other things, an assessment of the completeness, timeliness, quality, and accuracy of data submitted by agencies under the DATA Act.

I am writing this letter on behalf of CIGIE to inform you of an important timing anomaly with the oversight requirement for Inspectors General in the DATA Act. Your staffs have been briefed on this timing anomaly, which affects the first Inspector General reports required by the DATA Act. Specifically, the first Inspector General reports are due to Congress in November 2016. However, the agencies we oversee are not required to submit spending data in compliance with the DATA Act until May 2017. As a result, Inspectors General would be unable to report on the spending data submitted under the Act, as this data will not exist until the following year. This anomaly would cause the body of reports submitted by the Inspectors General in November 2016 to be of minimal use to the public, the Congress, the Executive Branch, and others.

To address this reporting date anomaly, the Inspectors General plan to provide Congress with their first required reports in November 2017, a one-year delay from the due date in statute, with subsequent reports following on a two-year cycle, in November 2019 and November 2021. We believe that moving the due dates back one year will enable the Inspectors General to meet the

1717 H Street, NW, Suite 825, Washington, DC 20006

⁵³ <https://www.ignet.gov/sites/default/files/files/CIGIE%20DATA%20Act%20Letter-Final.pdf>



Page 2

intent of the oversight provisions in the DATA Act and provide useful reports for the public, the Congress, the Executive Branch, and others.

Although we think the best course of action is to delay the Inspector General reports, CIGIE is encouraging the Federal Inspector General Community to undertake DATA Act "readiness reviews" at their respective agencies well in advance of the first November 2017 report. Through a working group, CIGIE has developed guidance for these reviews. I am pleased to report that several Inspectors General have already begun reviews at their respective agencies, and many Inspectors General are planning to begin reviews in the near future. We believe that these reviews, which are in addition to the specific oversight requirements of the Act, will assist all parties in helping to ensure the success of the DATA Act implementation. We have kept GAO officials informed about our plan to delay the first Inspector General reports for one year, which they are comfortable with, and our ongoing efforts to help ensure early engagement through Inspector General readiness reviews.

Should you or your staffs have any questions about our approach or other aspects of our collective DATA Act oversight activities, please do not hesitate to contact me at (202) 514-3435.

Sincerely,

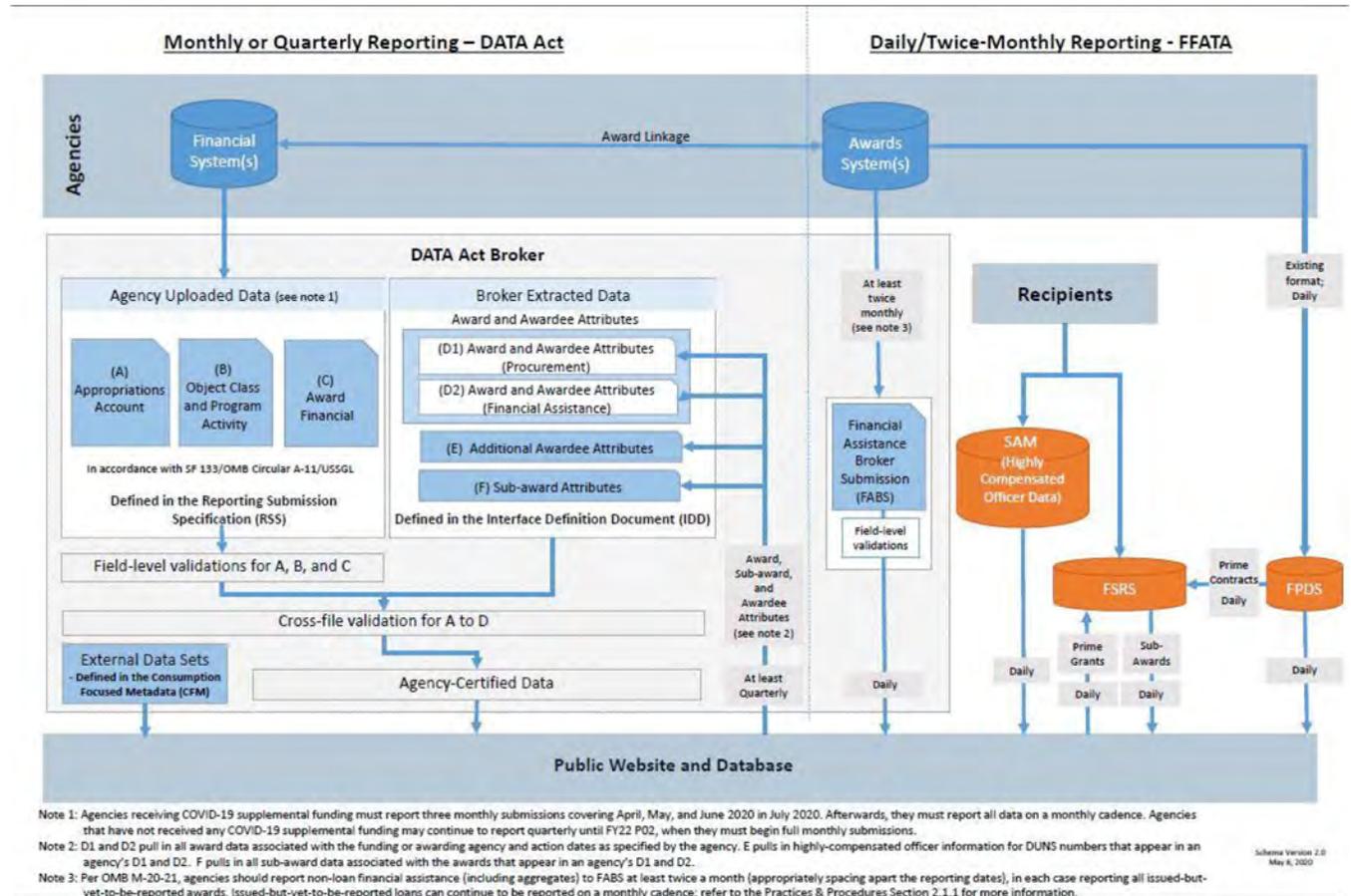
A handwritten signature in blue ink that reads "Michael E. Horowitz".

Michael E. Horowitz
Chair, Council of the Inspectors General on Integrity and Efficiency
Inspector General, U.S. Department of Justice

cc: The Honorable David Mader, Controller, OMB
The Honorable Gene Dodaro, Comptroller General, GAO



DATA ACT INFORMATION FLOW DIAGRAM⁵⁴



⁵⁴ Source: Department of the Treasury. <https://www.fiscal.treasury.gov/data-transparency/resources.html>



NCUA'S RESULTS FOR DATA ELEMENTS

The table below summarizes the results of our data element testing. Results are sorted in descending order by accuracy error rate. The data element with the highest accuracy error rate is listed first. This table is based on the results of our testing of 93 financial assistance awards submitted in the NCUA's fiscal year 2021 fourth quarter DATA Act submission. The results are consistent with the risks identified in the agency's data quality plan.

NCUA's Results for DATA Elements in Descending Order by Accuracy Error Rate Accuracy (A), Completeness (C), Timeliness (T)				
DAIMS Element #	Data Element Name	Sample Error Rate ⁵⁵ (%)		
		A	C	T
3	Ultimate Parent Unique Identifier	62%	62%	62%
4	Ultimate Parent Legal Entity Name	62%	62%	62%
6	Legal Entity Congressional District	5%	0%	0%
31	Primary Place of Performance Congressional District	5%	0%	0%
5	Legal Entity Address	2%	0%	0%
30	Primary Place of Performance Address	2%	0%	0%
1	Awardee/Recipient Legal Entity Name	0%	0%	0%
2	Awardee/Recipient Unique Identifier	0%	0%	0%
7	Legal Entity Country Code	0%	0%	0%
8	Legal Entity Country Name	0%	0%	0%
11 (A)	Total Funding Amount	0%	0%	0%
13	Federal Action Obligation	0%	0%	0%
16	Award Type	0%	0%	0%
19	Catalog of Federal Domestic Assistance Number	0%	0%	0%
20	Catalog of Federal Domestic Assistance Title	0%	0%	0%
21	Treasury Account Symbol (excluding Sub-Account)	0%	0%	0%
22	Award Description	0%	0%	0%
23	Award Modification/Amendment Number	0%	0%	0%
25	Action Date	0%	0%	0%
32	Primary Place of Performance Country Code	0%	0%	0%
33	Primary Place of Performance Country Name	0%	0%	0%
34	Award ID Number (FAIN)	0%	0%	0%
35	Record Type	0%	0%	0%
36	Action Type	0%	0%	0%
37	Business Types	0%	0%	0%
38	Funding Agency Name	0%	0%	0%
39	Funding Agency Code	0%	0%	0%

⁵⁵ These error rates do not reflect projected error rates to the population, but error rates from the sample alone.



NCUA's Results for DATA Elements in Descending Order by Accuracy Error Rate Accuracy (A), Completeness (C), Timeliness (T)				
DAIMS Element #	Data Element Name	Sample Error Rate ⁵⁵ (%)		
		A	C	T
40	Funding Sub Tier Agency Name	0%	0%	0%
41	Funding Sub Tier Agency Code	0%	0%	0%
42	Funding Office Name	0%	0%	0%
43	Funding Office Code	0%	0%	0%
44	Awarding Agency Name	0%	0%	0%
45	Awarding Agency Code	0%	0%	0%
46	Awarding Sub Tier Agency Name	0%	0%	0%
47	Awarding Sub Tier Agency Code	0%	0%	0%
48	Awarding Office Name	0%	0%	0%
49	Awarding Office Code	0%	0%	0%
52	Budget Authority Appropriated	0%	0%	0%
54	Unobligated Balance	0%	0%	0%
55	Other Budgetary Resources	0%	0%	0%
50	Object Class	0%	0%	0%
51	Appropriations Account	0%	0%	0%
53	Obligation	0%	0%	0%
56	Program Activity	0%	0%	0%
57	Outlay (Gross Outlay Amount by Award CPE ⁵⁶) ⁵⁷	0%	0%	0%
430	Disaster Emergency Fund Code	0%	0%	0%
9	Highly Compensated Officer Name	n/a	n/a	n/a
10	Highly Compensated Officer Total Compensation	n/a	n/a	n/a
11(C)	Original Loan Subsidy Cost	n/a	n/a	n/a
12	Non-Federal Funding Amount	n/a	n/a	n/a
14 (A)	Current Total Value of Award	n/a	n/a	n/a
14 (B)	Face Value of Direct Loan or Loan Guarantee	n/a	n/a	n/a
15	Potential Total Value of Award	n/a	n/a	n/a
17	NAICS Code	n/a	n/a	n/a
18	NAICS Description	n/a	n/a	n/a
24	Parent Award ID Number	n/a	n/a	n/a
26	Period of Performance Start Date	n/a	n/a	n/a
27	Period of Performance Current End Date	n/a	n/a	n/a
28	Period of Performance Potential End Date	n/a	n/a	n/a
29	Ordering Period End Date	n/a	n/a	n/a
163	National Interest Action	n/a	n/a	n/a

⁵⁶ In File C, agencies previously had the option to report on a quarterly basis the Gross Outlay Amount by Award CPE. Under OMB M-20-21, agencies with COVID-19 funding are now required to provide each Gross Outlay Amount by Award CPE on a monthly basis for each Federal award with outlay activity and to break down each Gross Outlay Amount by Award CPE by TAS, Program Activity, Object Class, and Disaster Emergency Fund Code.

⁵⁷ Outlays were tested using a non-statistical sample.



NCUA'S COMPARATIVE RESULTS FOR DATA ELEMENTS

The table below identifies the error rate by data element from the fiscal year 2019 and fiscal year 2021 audit results. The information is being provided for illustrative purposes only and may not necessarily be indicative of actual percentage change based on differences in testing procedures such as population size, sample methodology, quarter tested, File tested, and changes to data definition standards.

NCUA's Comparative Results for DATA Elements Based on Accuracy Error Rate in Descending Order				
DAIMS Element #	Data Element Name	Error Rate (%)		
		2021	2019	% Change
3	Ultimate Parent Unique Identifier	62%	43%	-19%
4	Ultimate Parent Legal Entity Name	62%	43%	-19%
6	Legal Entity Congressional District	5%	0%	-5%
31	Primary Place of Performance Congressional District	5%	0%	-5%
5	Legal Entity Address	2%	14%	12%
30	Primary Place of Performance Address	2%	14%	12%
1	Awardee/Recipient Legal Entity Name	0%	5%	5%
2	Awardee/Recipient Unique Identifier	0%	0%	0%
7	Legal Entity Country Code	0%	0%	0%
8	Legal Entity Country Name	0%	0%	0%
11 (A)	Total Funding Amount	0%	0%	0%
13	Federal Action Obligation	0%	0%	0%
16	Award Type	0%	0%	0%
19	Catalog of Federal Domestic Assistance Number	0%	0%	0%
20	Catalog of Federal Domestic Assistance Title	0%	0%	0%
21	Treasury Account Symbol (excluding Sub-Account)	0%	0%	0%
22	Award Description	0%	0%	0%
23	Award Modification/Amendment Number	0%	0%	0%
25	Action Date	0%	0%	0%



NCUA's Comparative Results for DATA Elements Based on Accuracy Error Rate in Descending Order				
DAIMS Element #	Data Element Name	Error Rate (%)		
		2021	2019	% Change
32	Primary Place of Performance Country Code	0%	0%	0%
33	Primary Place of Performance Country Name	0%	0%	0%
34	Award ID Number (FAIN)	0%	0%	0%
35	Record Type	0%	0%	0%
36	Action Type	0%	0%	0%
37	Business Types	0%	0%	0%
38	Funding Agency Name	0%	0%	0%
39	Funding Agency Code	0%	0%	0%
40	Funding Sub Tier Agency Name	0%	0%	0%
41	Funding Sub Tier Agency Code	0%	0%	0%
42	Funding Office Name	0%	0%	0%
43	Funding Office Code	0%	0%	0%
44	Awarding Agency Name	0%	0%	0%
45	Awarding Agency Code	0%	0%	0%
46	Awarding Sub Tier Agency Name	0%	0%	0%
47	Awarding Sub Tier Agency Code	0%	0%	0%
48	Awarding Office Name	0%	0%	0%
49	Awarding Office Code	0%	0%	0%
52	Budget Authority Appropriated	0%	0%	0%
54	Unobligated Balance	0%	0%	0%
55	Other Budgetary Resources	0%	0%	0%
50	Object Class	0%	0%	0%
51	Appropriations Account	0%	0%	0%
53	Obligation	0%	0%	0%
56	Program Activity	0%	0%	0%
57	Outlay (Gross Outlay Amount by Award CPE)	0%	0%	0%
430	Disaster Emergency Fund Code	0%	0%	0%
26	Period of Performance Start Date	n/a	0%	0%
27	Period of Performance Potential End Date	n/a	0%	0%
9	Highly Compensated Officer Name	n/a	n/a	n/a
10	Highly Compensated Officer Total Compensation	n/a	n/a	n/a
11(C)	Original Loan Subsidy Cost	n/a	n/a	n/a
12	Non-Federal Funding Amount	n/a	n/a	n/a



NCUA's Comparative Results for DATA Elements Based on Accuracy Error Rate in Descending Order				
DAIMS Element #	Data Element Name	Error Rate (%)		
		2021	2019	% Change
14 (A)	Current Total Value of Award	n/a	n/a	n/a
14 (B)	Face Value of Direct Loan or Loan Guarantee	n/a	n/a	n/a
15	Potential Total Value of Award	n/a	n/a	n/a
17	NAICS Code	n/a	n/a	n/a
18	NAICS Description	n/a	n/a	n/a
24	Parent Award ID Number	n/a	n/a	n/a
28	Period of Performance Potential End Date	n/a	n/a	n/a
29	Ordering Period End Date	n/a	n/a	n/a
163	National Interest Action	n/a	n/a	n/a



PRIOR AUDIT COVERAGE

On November 16, 2016, we issued the report titled *Review of NCUA's Digital Accountability and Transparency Act of 2014 Readiness*, OIG-16-09.⁵⁸ We conducted this review to gain an understanding of the NCUA's readiness over the processes, systems, and controls that the NCUA had implemented or planned to implement to report financial and payment data in accordance with the requirements of the DATA Act. To comply with the DATA Act, agencies were required to report spending information in accordance with data standards established by the OMB and the Treasury by May 2017. We determined that the NCUA had taken the necessary steps to meet the DATA Act's reporting deadline. Specifically, we determined the NCUA's DATA Act implementation plan was consistent with OMB requirements. We also determined the NCUA's implementation plan and actions taken to date were consistent with Treasury's DATA Act guidance.

On November 7, 2017, we issued the report titled *Audit of the NCUA's Compliance under the Digital Accountability and Transparency Act of 2014*, OIG-17-09.⁵⁹ We conducted this audit to assess the: (1) completeness, timeliness, quality, and accuracy of fiscal year 2017, second quarter financial and award data submitted for publication on USASpending.gov; and (2) the NCUA's implementation and use of the government-wide financial data standards established by OMB and Treasury. For agencies to comply with these standards, the DATA Act required agencies to report spending information in accordance with these standards on USASpending.gov by May 2017. Specifically, we determined that the NCUA's SAO certified and provided assurance for the second quarter, fiscal year 2017 DATA Act submission on April 25, 2017. We determined that the NCUA implemented and used these government-wide financial data standards by the reporting deadline with no reported errors in the submission. Through our testing efforts, we also determined that the NCUA's fiscal year 2017, second quarter financial and award data submitted for publication on USASpending.gov was complete, timely, accurate, and quality data. The only issues noted in our testing related to minor inconsistencies in the award-level transaction data, which should not exist in future DATA Act submissions due to the linkage of the award system to SAM.

On November 8, 2019, we issued the report titled *Audit of the NCUA's Compliance under the Digital Accountability and Transparency Act of 2014*, OIG-19-08.⁶⁰ Specifically, we conducted this audit to assess the: (1) completeness, accuracy, timeliness, and quality of the financial and award data submitted for publication on USASpending.gov; and (2) the NCUA's implementation and use of the government-wide financial data standards established by OMB and Treasury. Results of our audit determined that NCUA's submission to Treasury's DATA Act Broker was complete and submitted timely. We also determined that the NCUA fully implemented and used the government-wide financial data standards for spending information as defined by OMB and Treasury. We

⁵⁸ <https://www.ncua.gov/About/Pages/inspector-general/audit-reports/Documents/review-ncua-data-act-readiness2016.pdf>

⁵⁹ <https://www.ncua.gov/files/audit-reports/inspector-general-data-act-report-2017.pdf>

⁶⁰ <https://www.ncua.gov/files/audit-reports/oig-audit-ncua-compliance-data-act.pdf>



assessed internal controls over source systems and the summary-level DATA Act submission and determined internal controls effectively managed and reported financial data in accordance with the DATA Act. However, we determined that for the fiscal year 2019, first quarter, the NCUA submitted lower quality financial and award data for publication on USASpending.gov, primarily because of its award-level submission. Specifically, we identified errors related to data elements in the award-level data and determined that the NCUA did not timely submit this information in accordance with required DATA Act reporting schedules. As a result, we made four recommendations in our report.



NCUA MANAGEMENT RESPONSE



National Credit Union Administration
Office of the Executive Director

SENT BY EMAIL

TO: Inspector General, James Hagen
FROM: Executive Director, Larry Fazio
SUBJ: Audit of the NCUA's Data Act Compliance
DATE: November 3, 2021

Thank you for the opportunity to review the draft report on the OIG's *Audit of the NCUA's Compliance Under the Digital Accountability and Transparency Act Of 2014*. We concur with the report's conclusions and will implement its one suggestion. This suggestion will enhance the NCUA's certification process for DATA Act submissions.

Thank you for the opportunity to comment. If you have any questions regarding this response, please contact Shameka Sutton at (703) 548-2485 or at SSutton@ncua.gov.

1775 Duke Street – Alexandria, VA 22314-6113 – 703-518-6320



ACRONYMS AND ABBREVIATIONS

Acronym	Term
CARES Act	Coronavirus Aid, Relief, and Economic Security Act
CDRLF	Community Development Revolving Loan Fund
CFO	Chief Financial Officer
CIGIE	Council of the Inspectors General on Integrity and Efficiency
COVID-19	Coronavirus Disease 2019
CURE	Credit Union Resources and Expansion
DAIMS	DATA Act Information Model Schema
DATA Act	Digital Accountability and Transparency Act of 2014
ESC	Enterprise Services Center
FABS	Financial Assistance Broker Submission
FAEC	Federal Audit Executive Council
FAIN	Federal Award Identification Number
FFATA	Federal Funding Accountability and Transparency Act of 2006
FFMIA	Federal Financial Management Improvement Act of 1996
FMFIA	Federal Managers' Financial Integrity Act
FPDS-NG	Federal Procurement Data System – Next Generation
FSRS	FFATA Sub-award Reporting System
GSA	General Services Administration
GTAS	Government-wide Treasury Accounting Symbol
Guide	CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act
IDD	Interface Definition Document
IG	Inspectors General
LICUs	Low Income Designated Credit Unions
NCUA	National Credit Union Administration



Acronym	Term
OCFO	Office of the Chief Financial Officer
OGC	Office of General Counsel
OIG	Office of Inspector General
OMB	Office of Management and Budget
PIID	Procurement Instrument Identifiers
PMO	Project Management Office
RSS	Reporting Submission Specifications
SAM	System for Award Management
SAO	Senior Accountable Officer
Scorecard	Quality Scorecard
SF-133	Report on Budget Execution and Budgetary Resources
SME	Subject Matter Expert
SOC	Service Organization Controls
SSAE	Statement on Standards for Attestation Engagements
TAS	Treasury Account Symbol
Treasury	Department of Treasury
URI	Unique Record Identifier
v2.0	Version 2.0